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## ✓ Latest release

# Labour hire workers

The number and characteristics of labour hire workers, drawn from different ABS sources providing complementary insights into labour hire work.

Reference period June 2023

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Released 15/09/2023

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## Key statistics

- In June 2023, 327,100 people had a job in Labour supply services, and for 270,500 (83%) it was their main job.
- 2.3% of all employed people had a job in Labour supply services in June 2023.
- 81% of labour hire workers worked full-time (August 2022).
- 84% of labour hire workers did not have paid leave entitlements, and 18% would prefer to work more hours (August 2022).

- In 2019-20, 61% of people in Labour supply services were men, and 27% were Labourers.

This release reflects data updated in [Labour Account Australia, June quarter 2023 \(/statistics/labour/labour-accounts/labour-account-australia/jun-2023\)](#). There will be a future update in early 2024 based on data from Jobs in Australia, 2020-21 (to be released on 12 December 2023). Data based on Characteristics of Employment will remain the same for 2023 as the labour hire module of the survey is only conducted in even years.

## Labour hire workers and the Labour supply service industry

Labour hire work is characterised by a third-party arrangement, where there is:

- an employment relationship between an individual employee and a labour hire firm, and
- a commercial arrangement between the labour hire firm and another business for the supply of the individual employee's labour, for a fee.

The labour hire firm then pays the individual employee (the labour hire worker) their wage or salary. Labour hire workers are employees of a labour hire firm, rather than the firm that they are providing their labour to.

The multi-party nature of labour hire work makes it one of the more challenging arrangements to produce statistics on, compared with the more common employer-employee relationships and self-employment.

Businesses that provide labour hire services, and their employees, are classified to the [ANZSIC 4-digit industry class \(/statistics/classifications/australian-and-new-zealand-standard-industrial-classification-anzsic/2006-revision-2-0/detailed-classification/n/72/721/7212\)](#) of 'Labour supply services' (ANZSIC 7212). Labour within businesses in this industry is different to most businesses, given the main activity is the provision of labour as a service to other businesses, rather than the use of labour within the business to produce goods and/or services.

## Measuring labour hire work

This multi-source release brings together data from the following complementary ABS

sources to provide the most robust and contemporary ABS estimate of the Labour supply services industry:

- [Labour Account, June quarter 2023 \(/statistics/labour/labour-accounts/labour-account-australia/jun-2023\)](/statistics/labour/labour-accounts/labour-account-australia/jun-2023) is used to model the headline estimates of 4-digit Labour supply services employment and job levels. The Labour Account is the [best ABS source of industry employment and job levels \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](#).
- [Jobs in Australia, 2019-20 \(/statistics/labour/jobs/jobs-australia/2015-16-2019-20\)](/statistics/labour/jobs/jobs-australia/2015-16-2019-20) provides estimates of selected socio-demographic characteristics of people employed in the Labour supply services industry, based on personal income tax data available from the Linked Employer-Employee Dataset.
- [Characteristics of Employment, August 2022 \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022) provides information collected from Labour Force Survey respondents on aspects of labour hire work, socio-demographic and employment characteristics.

While neither Jobs in Australia or Characteristics of Employment are used for the headline estimates of the number of labour hire workers, these sources do provide useful information to better understand the socio-demographic characteristics and employment circumstances of labour hire workers.

The method used to model these Labour Account-based Labour supply services estimates is described in the [Methodology \(/methodologies/labour-hire-workers/jun-2023\)](#) page. Additional useful contextual information was also included in the [first issue of this release \(/statistics/labour/earnings-and-working-conditions/labour-hire-workers/jun-2022\)](#), in 2022.

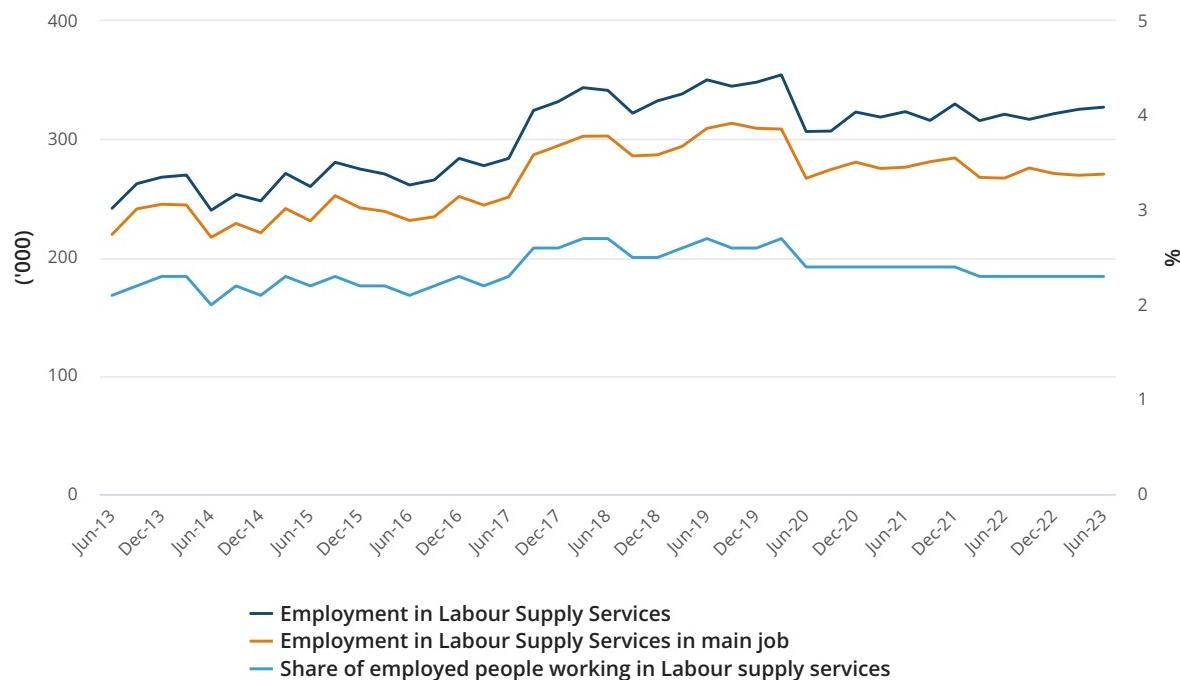
## People working in Labour supply services

In June 2023, there were 327,100 people employed in the Labour supply services industry. This represented 2.3% of all employed people. Of these people, 270,500 worked in Labour supply services in their main job. There were 338,100 filled jobs in Labour supply services (that is, 270,500 main jobs and 67,600 secondary jobs).

Employment in Labour supply services increased from 241,600 in June 2013 to 354,400 in March 2020. In line with overall employment, there was a large decrease in the June 2020 in the early stages of the COVID-19 pandemic. Employment in Labour supply services has not recovered to its pre-pandemic peak.

Over the past ten years the industry has accounted for between 2.0% and 2.7% of total employment.

## Labour supply services (Original)



Source: [Labour Account Australia \(/statistics/labour/labour-accounts/labour-account-australia/jun-2023\)](#), unpublished data.

## People who found their job through a labour hire firm

COE data shows that in August 2022, there were 584,000 employees who reported finding their current main job through a labour hire firm or employment agency. Of these:

- 21% were paid by the labour hire firm (in their main job)
- 79% were not paid by the labour hire firm or employment agency (in their main job)
  - these people were placed into a job at another employer and are now an employee of that employer

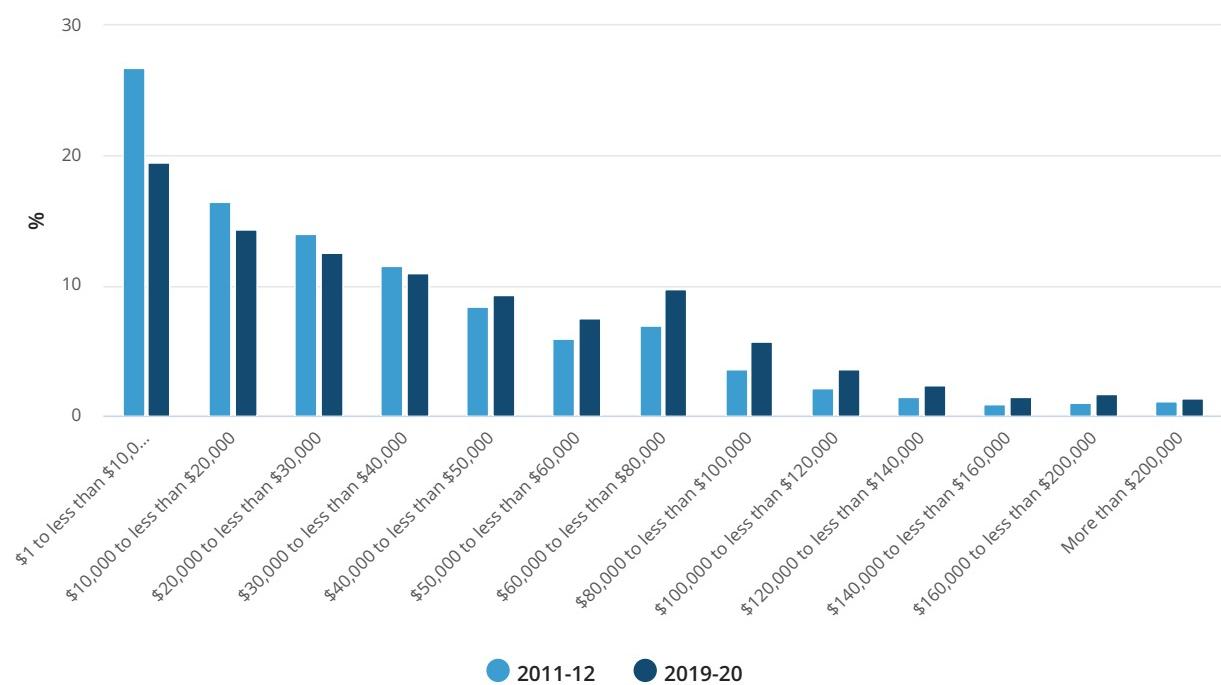
Almost 340,000 employees were registered with a labour hire firm in August 2022.

## Earnings

Data from Jobs in Australia shows the annual earnings (in main job) of people in Labour supply services (in their main job). In 2019-20, the median annual earnings (in main job) of people employed in Labour supply services was \$33,100. Almost 20% of people employed in Labour supply services earned less than \$10,000 in 2019-20, while almost 10% earned between \$60,000 and \$80,000. The large number of people with relatively low annual earnings reflects the often short-term nature of labour hire work.

In comparison to 2011-12 (the first year currently available in the LEED dataset), in 2019-20 there was a lower proportion of people in the lower annual earnings categories, and a higher proportion in the higher earnings categories (\$50,000 and above).

### Labour supply services, annual earnings (Original)



Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/2015-16-2019-20\)](#)

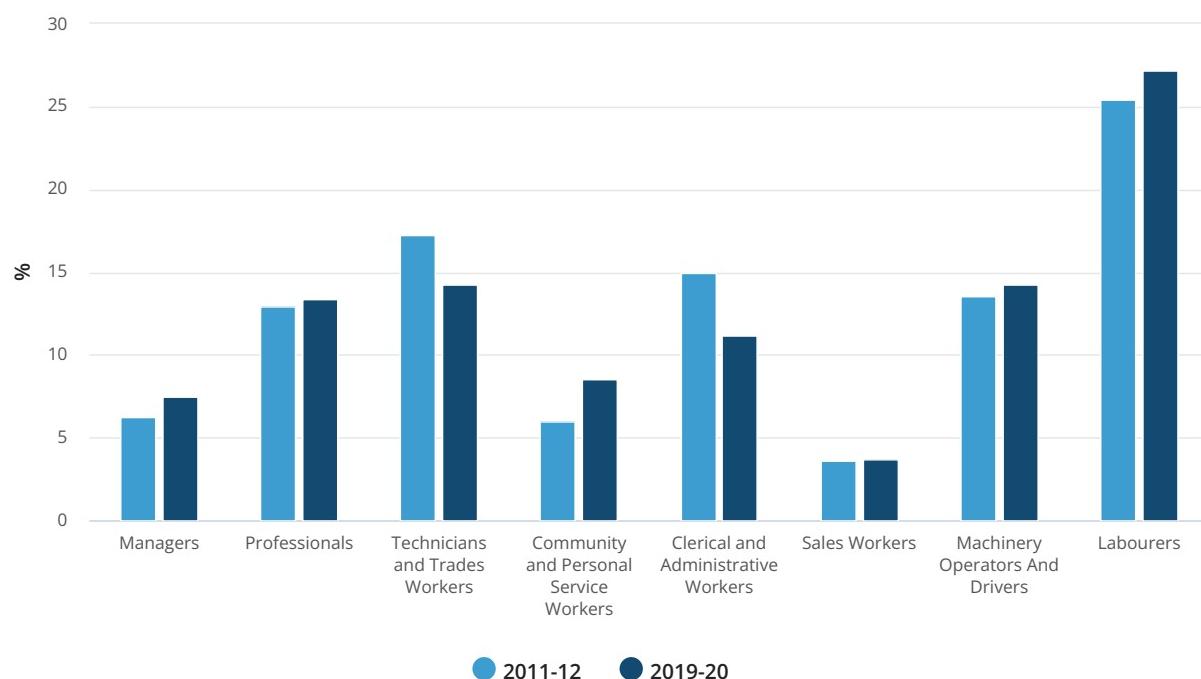
The Jobs in Australia data above shows earnings received from job(s) in Labour supply services over the entire financial year. This is useful to look at the outcomes of people across a longer time period, including accounting for periods in and out of work. Data from Characteristics of Employment shows the average weekly earnings of people in a labour hire

job at a point in time. In August 2020, median weekly earnings of labour hire workers were \$1,195 compared with \$1,150 for all employees.

## Occupation

Data from Jobs in Australia shows an occupational breakdown of people working in Labour supply services, across the eight major occupation groups. In 2019-20, over a quarter (27%) of employees in Labour supply services were Labourers. Sales workers (3.7%) and Managers (7.5%) were the least common occupation groups.

### Labour supply services, by Occupation of main job(a) (Original)



(a) Excludes people where occupation was inadequately described.

Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/2015-16-2019-20\)](https://www.abs.gov.au/statistics/labour/jobs/jobs-australia/2015-16-2019-20)

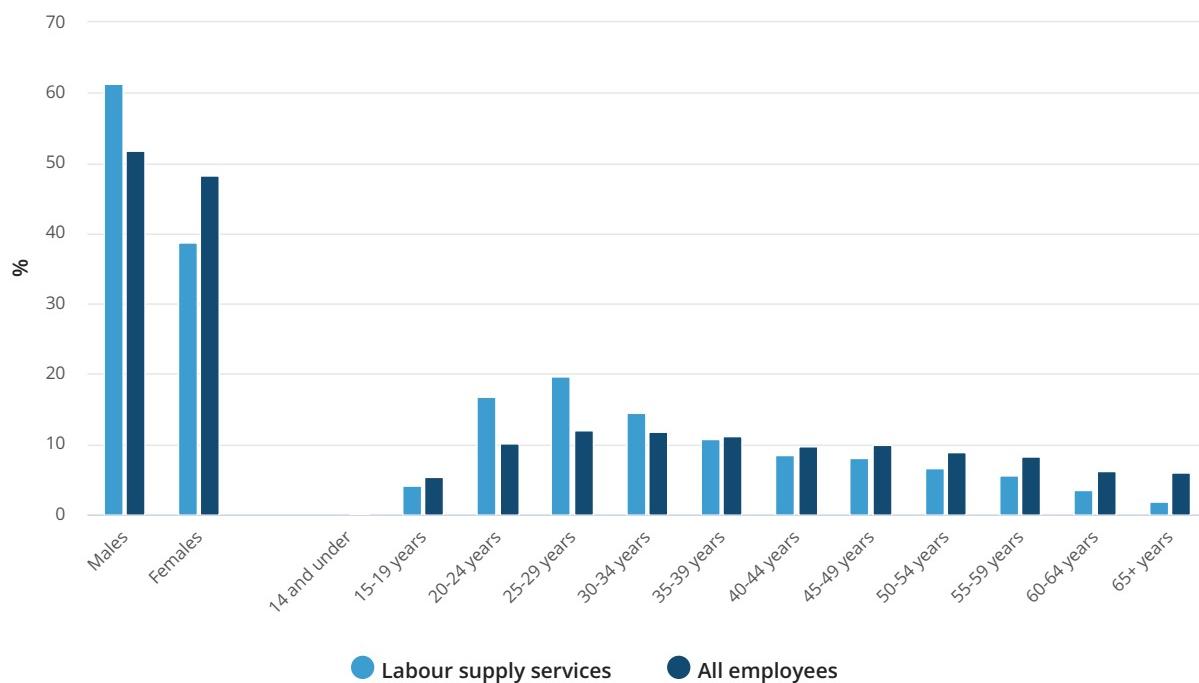
## Sex and age

Data from Jobs in Australia shows that employment in Labour supply services is more

prevalent among men than women, with men accounting for 61% of people working in Labour supply services in 2019-20.

Across age groups, people aged 25-29 and 20-24 were more likely to work in Labour supply services than those in other age groups. Around 20% of people in labour supply services were 25-29 years old and around 17% were 20-24 years old. In contrast, only 12% of all employed people were aged 25-29 years and 10% aged 20-24 years.

### Labour supply services, by Sex and Age, 2019-20 (Original)



Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/2015-16-2019-20\)](https://statistics.abs.gov.au/statistics/labour/jobs/jobs-australia/2015-16-2019-20)

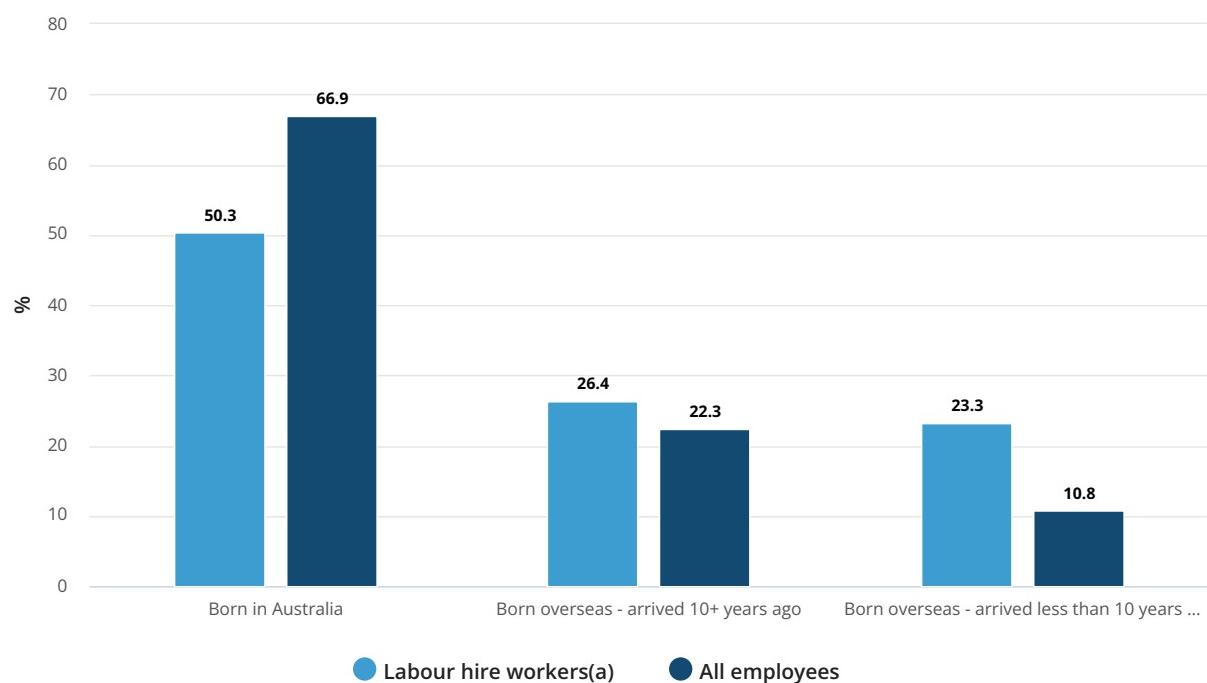
## Country of birth

The COE survey collects information on people's country of birth, and for those who were born overseas, when they arrived in Australia. Over half of all labour hire workers were born in Australia, however people born overseas were more likely to be a labour hire worker than people born in Australia. Recent migrants to Australia were more likely to be a labour hire

worker than those who arrived at least 10 years ago.

In August 2022, over 23% of labour hire workers were born overseas and arrived in Australia less than 10 years ago. At this time, recent migrants accounted for around 10% of all employees within the labour market.

### Labour hire workers(a), by Country of Birth, August 2022 (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](#).

## Hours worked and underemployment

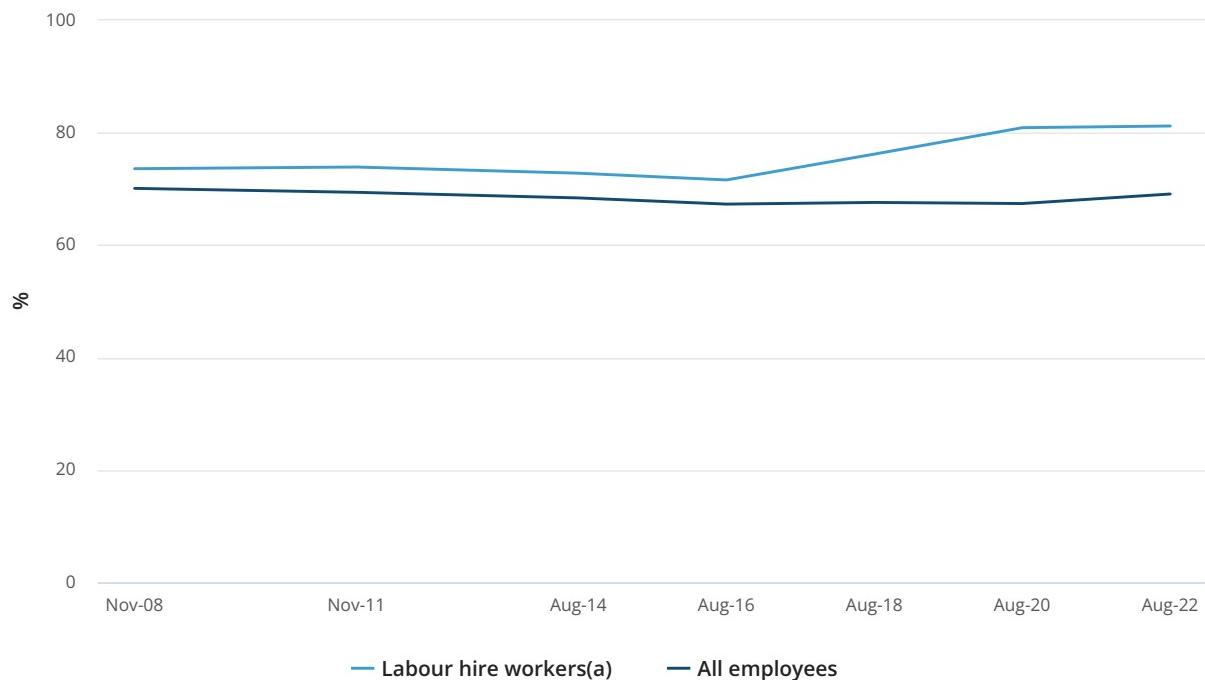
Data from the COE survey provides information on the hours of labour hire workers. Between 2008 and 2016, full-time work declined gradually for both labour hire workers and all employees.

After 2016, the overall share of employees working full-time has continued its gradual

decline, however the prevalence of full-time work amongst labour hire workers increased from 72% in August 2016 to 81% in August 2022.

In August 2022, the average hours usually worked by labour hire workers was 38 hours a week, compared with 35 hours a week for all employees.

### Full-time workers (Original)

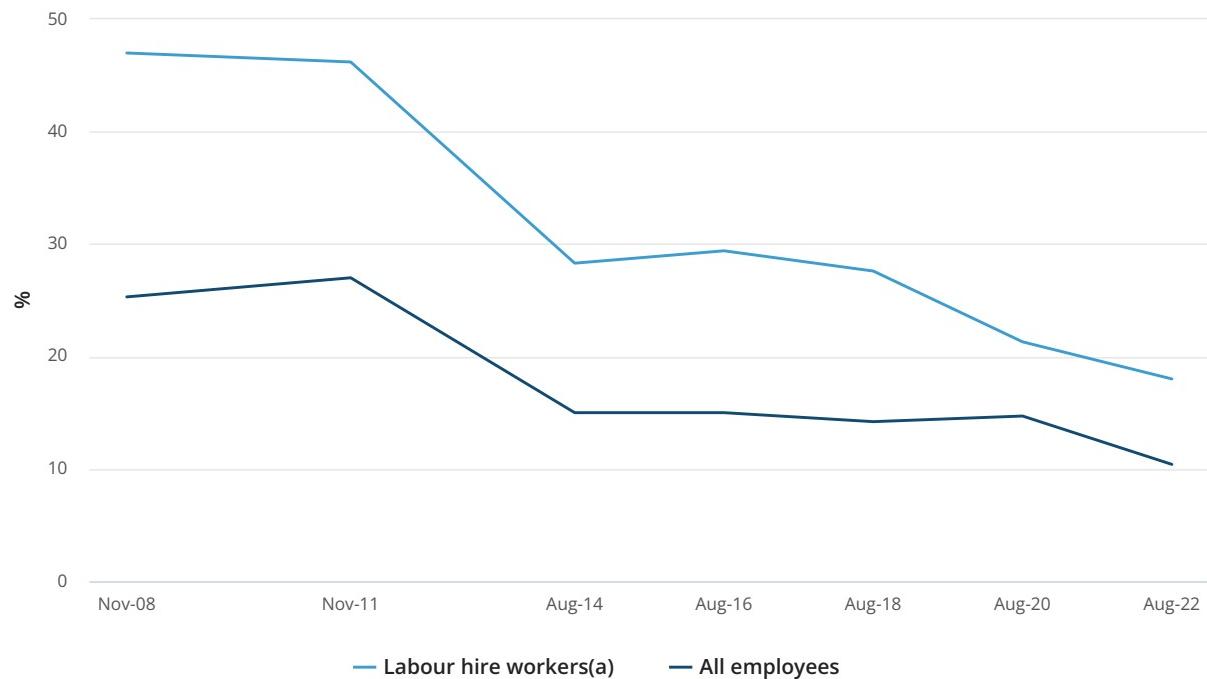


(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](#).

Labour hire workers are also more likely than other employees to be underemployed. In August 2022, 18% of labour hire workers preferred to work more hours, compared with 10% of all employees. The proportion of labour hire workers who would prefer to work more hours has halved since 2008 but remained higher than all employees in August 2022.

## Preferred to work more hours (Original)



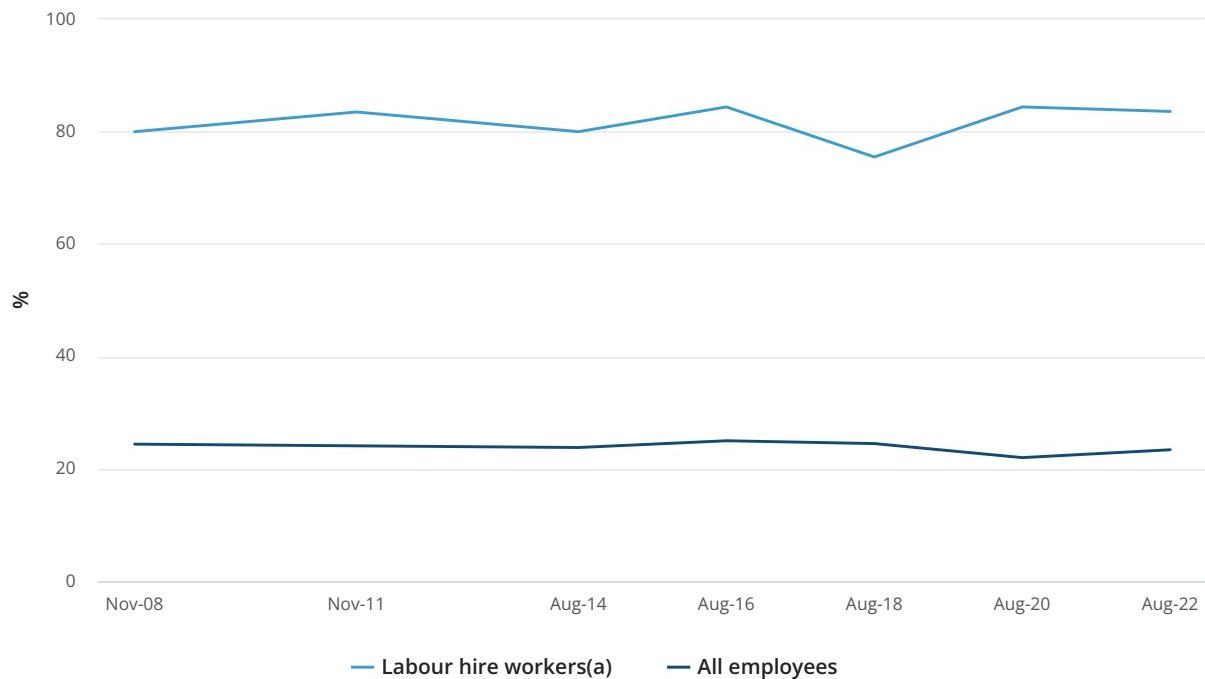
(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](#).

## Casual work and job stability

There are various indicators of casual employment collected in the COE survey. The most common indicator of casual employment is the absence of paid (sick and/or holiday) leave entitlements. In August 2022, 84% of labour hire workers did not have paid leave entitlements. By comparison, only 23% of all employees did not have paid leave entitlements.

## Employees without paid leave entitlements(a) (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](#).

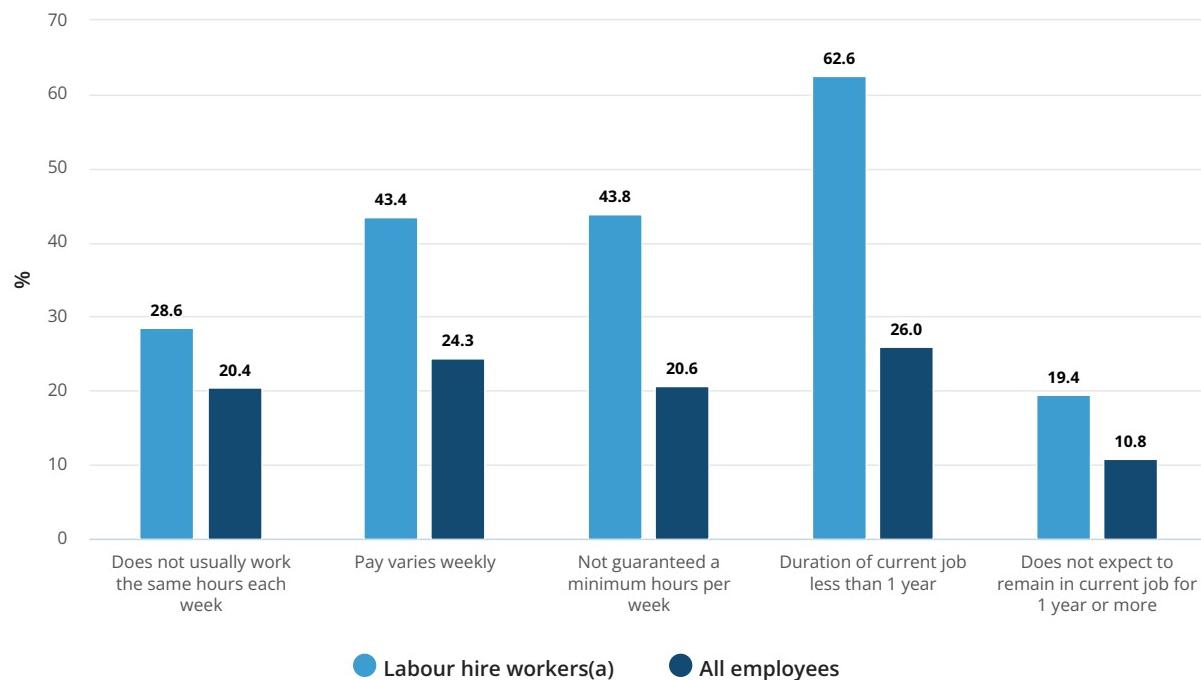
COE also identifies whether an employee perceives that they are employed as a 'casual'. This can provide a useful alternate view of casual employment, as there may be (usually highly paid) labour hire workers whose remuneration package does not include paid leave entitlements, but they do not have the other hallmarks of casual employment (such as a lack of certainty of tenure or variable hours). In August 2022, 72% of labour hire workers identified as a casual, which was lower than the 84% who did not have paid leave entitlements.

In addition to the large differences in casual employment between labour hire workers and all employees, labour hire workers also tend to have shorter job tenure than other employees. In August 2022, 63% of labour hire workers had been in their current job for less than a year, and 19% did not expect to be in their current job in a year. This compared with

26% and 11% for all employees.

Labour hire workers are also more likely to have variable pay (43% compared with 24% for all employees) and variable hours (29% compared with 20%). They are also more likely to not have a guaranteed minimum number of hours each week (44% compared with 21%).

### Indicators of job stability(a), August 2022 (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](#).

## Data downloads

**Table 1: People employed in Labour supply services, Sep 1994 - Jun 2023 (Labour Account)**

Estimates of all people employed in Labour supply services, people employed in Labour supply services in their main job, all employed, and all jobs worked in Labour Supply Services. Sourced from the Labour Account.

[!\[\]\(5fb663b201e1932400d8a761abe6f8cb\_img.jpg\) Download XLSX](#)

[59.77 KB]

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Data from Jobs in Australia and Characteristics of Employment on the characteristics of labour hire/labour supply service workers are used to provide context to the overall Labour Account-based level estimates. While table 2 and 3 do include level estimates of these characteristics from Jobs in Australia and Characteristics of Employment, these levels are included to enable further calculations.

Additional socio-demographic and employment characteristics available in both sources are also included (e.g. occupation), to enable further analysis of each data source.

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**Table 2: Selected characteristics of people employed in Labour Supply Services, 2011-12 - 2019-20 (JIA/LEED)**

People employed in Labour supply services by sex, age, occupation, earnings, status of employment, multiple job holder status, number of jobs held and number of concurrent jobs. Sourced from Jobs in Australia (LEED).

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[57.48 KB]

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**Table 3: Selected characteristics of labour hire workers, Aug 1998 - Aug 2022 (COE)**

Estimates of employees who were registered with a labour hire firm, employees who found job through a labour hire firm, and employees who were paid by a labour hire firms, and characteristics of these employees including sex, age, full-time/part-time status, paid leave entitlements, indicators of job stability, occupation, country of birth, job duration, educational qualifications and earnings. Sourced from Characteristics of Employment (COE).

[!\[\]\(7788761dd11d2339dd5cef7db9701cda\_img.jpg\) Download XLSX](#)

[13.36 MB]

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More detailed labour hire data is available in TableBuilder (or as microdata in ABS datalab) from both [Jobs in Australia \(/statistics/microdata-tablebuilder/available-microdata-tablebuilder/jobs-australia\)](#) and [Characteristics of Employment \(/statistics/microdata-tablebuilder/available-microdata-tablebuilder/characteristics-employment-australia\)](#).

## **Methodology**

Labour hire workers methodology, June 2023